

## COMMITTEE REPORT

### MR. PRESIDENT:

**The Senate Committee on Commerce and Consumer Affairs, to which was referred Senate Bill No. 526, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:**

- 1       Page 1, delete lines 1 through 17, begin a new paragraph and insert:  
2       "SECTION 1. IC 23-2-5-3, AS AMENDED BY P.L.14-2000,  
3       SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
4       JULY 1, 2001]: Sec. 3. (a) As used in this chapter, "certificate of  
5       registration" means a certificate issued by the commissioner  
6       authorizing an individual to engage in origination activities on behalf  
7       of a licensee.  
8       (b) As used in this chapter, "creditor" means a person:  
9       (1) that loans funds of the person in connection with a loan; and  
10       (2) to whom the loan is initially payable on the face of the note or  
11       contract evidencing the loan.  
12       (c) As used in this chapter, "license" means a license issued by the  
13       commissioner authorizing a person to engage in the loan brokerage  
14       business.  
15       (d) As used in this chapter, "licensee" means a person that is issued  
16       a license under this chapter.  
17       (e) As used in this chapter, "loan broker" means any person who, in  
18       return for any consideration from any person, promises to procure a  
19       loan for any person or assist any person in procuring a loan from any  
20       third party, or who promises to consider whether or not to make a loan

- 1 to any person. "Loan broker" does not include:
- 2 (1) any bank, savings bank, trust company, savings association,
- 3 credit union, or any other financial institution that is:
- 4 (A) regulated by any agency of the United States or any state;
- 5 and
- 6 (B) regularly actively engaged in the business of making
- 7 consumer loans that are not secured by real estate or taking
- 8 assignment of consumer sales contracts that are not secured by
- 9 real estate;
- 10 (2) any person authorized to sell and service loans for the Federal
- 11 National Mortgage Association or the Federal Home Loan
- 12 Mortgage Corporation, issue securities backed by the Government
- 13 National Mortgage Association, make loans insured by the United
- 14 States Department of Housing and Urban Development, ~~make~~
- 15 ~~loans guaranteed by act as a supervised lender, nonsupervised~~
- 16 ~~lender, or nonsupervised automatic lender of the United States~~
- 17 ~~Department of Veterans Affairs, or act as a correspondent of loans~~
- 18 ~~insured by the United States Department of Housing and Urban~~
- 19 ~~Development; or guaranteed by the United States Department of~~
- 20 ~~Veterans Affairs;~~
- 21 (3) any insurance company; or
- 22 (4) any person arranging financing for the sale of the person's
- 23 product.
- 24 (f) As used in this chapter, "loan brokerage business" means a
- 25 person acting as a loan broker.
- 26 (g) As used in this chapter, "origination activities" means
- 27 establishing the terms or conditions of a loan with a borrower or
- 28 prospective borrower.
- 29 (h) As used in this chapter, "person" means an individual, a
- 30 partnership, a trust, a corporation, a limited liability company, a limited
- 31 liability partnership, a sole proprietorship, a joint venture, a joint stock
- 32 company, or another group or entity, however organized.
- 33 (i) As used in this chapter, "registrant" means an individual who is
- 34 registered to engage in origination activities under this chapter.
- 35 (j) As used in this chapter, "ultimate equitable owner" means a
- 36 person who, directly or indirectly, owns or controls any ownership
- 37 interest in a person, regardless of whether the person owns or controls
- 38 the ownership interest through one (1) or more other persons or one (1)

- 1 or more proxies, powers of attorney, or variances."
- 2 Page 2, delete lines 1 through 41.
- 3 Renumber all SECTIONS consecutively.  
(Reference is to SB 526 as introduced.)

**and when so amended that said bill do pass.**

Committee Vote: Yeas 10, Nays 0.

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**Server**

**Chairperson**